



A Customer Owned Utility
Serving Our Community Since 1894

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September 1, 2018

NAED is one of only forty-one (41) public electric organizations within the Commonwealth of Massachusetts. We are committed to promoting the interests of "Public Power" on behalf of the citizens of this community.

Monthly Update of North Attleborough Electric Department's Activities

Dear Friends,

Happy Labor Day and Fall! The weather will start to get cooler but there can still be days that remind us of the summer so it is never a bad idea to conserve energy and consider utilizing NAED's energy efficiency programs. Please contact us at 508-643-6310 to learn about our programs.

I. UPDATE OF ACTIVITIES OF THE BOARD OF ELECTRIC COMMISSIONERS

The Board held its monthly meeting regarding NAED matters on August 1, 2018.

The Board received an update on the activities of the GIS office via a presentation by both Heather Cabral, GIS Manager and Danielle Verrier, GIS Technician. Ms. Verrier joined NAED earlier this year and in addition to her responsibilities relative to assisting in the utilization and recording of GIS information, she will oversee NAED's planned Social Media efforts. It was noted to the Board that commencing on or around September 1, 2018 NAED would be communicating with its customers on Facebook, Twitter and Instagram. NAED will continue to utilize its web page, the monthly "General Manager's Newsletter, and "North Attleborough Electric Department Show" on NorthTV to update its customer.

The Board also met with the internal NAED "Cost of Service" task force and Bruce Leymaster of BF Leymaster, Inc. to discuss the "Cost of Service Study", to date. During the discussion, the information was presented relative to the "Cost of Service" study, which is expected to be completed by the end of August 2018. The final "Cost of Service" (COS) study will provide the basis for the Board to consider updating, if required, the department's current customer rates. NAED is required to have fixed schedules of prices and rates cannot be fixed at less than production costs. Information about the COS's "key assumptions" discussed at the meeting included the following:

- a. Financial forecasts for calendar years 2018-2022 are based on NAED's FY 2018 budget.*
- b. Projected power supply purchases for calendar years 2018-2022 were provided by NAED based on information provided by outside consultant Mark Magyar of Energy Management Group and represent projections as of May 5, 2018.*

c. A detailed customer analysis was performed during the 2018 budget process to assure the reliability of the billing units.

e. Sales were projected for calendar years 2019-22 to remain constant.

f. Forecasted power supply costs were performed separately for each period respectively based on the embedded power cost in the projected power costs for calendar years 2019-22.

II. NAED RATES UPDATE & COMPARISON TO OTHERS

On August 30, 2018, the Board of Electric Commissioners will consider updating NAED's rates. If approved, the revision is planned to commence in October 2018. The last change in the rates was effective October 1, 2015. NAED's objective is to revisit its customer rates every three years. Staying focused on the updating of the rates on a regular basis ensures that rate classes are paying their fair shares and that rates do not get "too out of whack". A comparison of NAED's current monthly residential customer rates, with Investor Owned Utilities for the 12-month period of July 2017 – June 2018, (750 kWh) with information provided by MMWEC is listed below:

NAED:	\$ 111.19
Until:	\$ 192.73
National Grid:	\$ 175.76
Eversource – Cape Cod:	\$ 178.76

III. LED PROJECT ENDING – \$18,665.00 CHECK FOR ENERGY SAVINGS COMING TO TOWN

As I believe our customers are aware, NAED received, in 2016, funding through a grant awarded to Energy New England (ENE) on behalf of Municipal Light Plants, including NAED, from the Commonwealth's Department of Energy Resources (DOER). The grant, coupled with NAED's fiscal appropriation, provided the financial support for the replacement of all of North Attleborough's municipal street lights (and "Leased Lights" within the "public way") from "High Pressure Sodium" to LEDs. The replacement effort was completed earlier this year. ENE provided NAED with the following information:

Number of Eligible Municipal Lights Converted:	1,964
Average of Estimated Watts Saved Per Fixture:	35
Sum of Total Estimated kWh Annual Savings:	305,802
Total Estimated KWH Annual Savings:	\$ 74,659.33
Estimated Payback Years:	8.7 years
Payment to the Town (25%):	\$ 18,665.00

A requirement of the grant was that NAED provide the Town with 25% of the first-year Municipal Streetlight energy savings attributable to the conversion. As noted above ENE's estimate of 305,802 kWhs annual savings translates to \$74,659.33 annual dollar savings to the Town via the current NAED Street Light rates. Accordingly, ENE has determined that NAED should provide the Town with an amount of \$18,665.00, which is computed to be 25% of the estimated annual savings.

IV. NAED EQUIPMENT – MUST BE ACCESSIBLE TO NAED & ITS PERSONNEL

A reminder that NAED's Terms & Conditions require that NAED meters and equipment must be free from all obstructions, including shrubbery, fencing and other obstructions. "NAED meters and equipment "...must be "readily accessible" to NAED at all reasonable times for reading, inspection, repairs, replacements and testing." (see T&C, Article V.D.). Please help NAED personnel to perform their duties and responsibilities both during regular working hours and at times of emergencies by ensuring that NAED equipment and meters are immediately identifiable and accessible.

Please continue to remember our fellow citizens who are defending our country throughout the world. As always, should you have any questions at any time, please feel free to contact me at 508.643.6300.

Sincerely,
James C. Moynihan
General Manager